



Lesson 3

Employer's Returns Forms 940 and 941



Agenda

- **Form 941**
 - Depositing Requirements
 - Penalties
- **Form 940**



Form



Employer's Quarterly Federal Tax Return



Form 941-- Introduction

If you have employees, you must file
this quarterly return



Form 941 Due Dates

Last day of the month after each quarter ends

<u>Quarter</u>	<u>Ends</u>	<u>Due Date</u>
JAN, FEB, MAR	MAR 31	APR 30*
APR, MAY, JUN	JUN 30	JUL 31*
JUL, AUG, SEP	SEP 30	OCT 31*
OCT, NOV, DEC	DEC 31	JAN 31*

***If the due date for a return falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.**



Form 941 Tips

- **File only one Form 941 per quarter**
- **Report only one calendar quarter on a single Form 941**
- **Always use the preaddressed form mailed to you (or file electronically)**
- **File a final return if you**
 - **Go out of business**
 - **Stop paying wages**



Employer's Quarterly Federal Tax Return

▶ See separate instructions revised January 2002 for information on completing this return.

Please type or print.

Enter state code for state in which deposits were made **only** if different from state in address to the right (see page 2 of instructions).

☐ Name (as distinguished from trade name)

Date quarter ended ☐

OMB No. 1545-0029

Trade name, if any

Employer identification number

Address (number and street)

City, state, and ZIP code

T

FF

FD

FP

I

T

If address is different from prior return, check here ▶ ☐

IRS Use

1	1	1	1	1	1	1	1	1	1	2	3	3	3	3	3	3	3	4	4	4	5	5	5
6	7	8	8	8	8	8	8	8	8	9	9	9	9	9	9	9	9	10	10	10	10	10	10

If you do not have to file returns in the future, check here ☐ and enter date final wages paid ▶

If you are a seasonal employer, see **Seasonal employers** on page 1 of the instructions and check here ▶

1	Number of employees in the pay period that includes March 12th . . . ▶	1			
2	Total wages and tips, plus other compensation	2			
3	Total income tax withheld from wages, tips, and sick pay	3			
4	Adjustment of withheld income tax for preceding quarters of calendar year	4			
5	Adjusted total of income tax withheld (line 3 as adjusted by line 4—see instructions)	5			
6	Taxable social security wages	6a			× 12.4% (.124) =
	Taxable social security tips	6c			× 12.4% (.124) =
7	Taxable Medicare wages and tips	7a			× 2.9% (.029) =
8	Total social security and Medicare taxes (add lines 6b, 6d, and 7b). Check here if wages are not subject to social security and/or Medicare tax ▶ <input type="checkbox"/>	8			
9	Adjustment of social security and Medicare taxes (see instructions for required explanation) Sick Pay \$ _____ ± Fractions of Cents \$ _____ ± Other \$ _____ =	9			
10	Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9—see instructions)	10			
11	Total taxes (add lines 5 and 10)	11			
12	Advance earned income credit (EIC) payments made to employees	12			
13	Net taxes (subtract line 12 from line 11). If \$2,500 or more, this must equal line 17, column (d) below (or line D of Schedule B (Form 941))	13			
14	Total deposits for quarter, including overpayment applied from a prior quarter	14			
15	Balance due (subtract line 14 from line 13). See instructions	15			
16	Overpayment. If line 14 is more than line 13, enter excess here ▶ \$ _____ and check if to be: <input type="checkbox"/> Applied to next return or <input type="checkbox"/> Refunded.				

• All filers: If line 13 is less than \$2,500, you need not complete line 17 or Schedule B (Form 941).
• Semiweekly schedule depositors: Complete Schedule B (Form 941) and check here ▶ ☐
• Monthly schedule depositors: Complete line 17, columns (a) through (d), and check here. ▶ ☐

17 Monthly Summary of Federal Tax Liability. Do not complete if you were a semiweekly schedule depositor.			
(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter

Third Party Designee	Do you want to allow another person to discuss this return with the IRS (see separate instructions)? <input type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No		
	Designee's name ▶	Phone no. ▶ ()	Personal identification number (PIN) ▶
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.		
	Signature ▶	Print Your Name and Title ▶	Date ▶

Employer's Quarterly Federal Tax Return

▶ See separate instructions revised January 2002 for information on completing this return.

Please type or print.

Enter state code for state in which deposits were made **only** if different from state in address to the right (see page 2 of instructions).

1

Name (as distinguished from trade name)

Green For Ever, Inc.

Trade name, if any

Address (number and street)

925 Fern Ave.

Date quarter ended

6-30-2001

Employer identification number

10-1234567

City, state, and ZIP code

Augusta, GA 32599

OMB No. 1545-0029

T

FF

FD

FP

I

T

If address is different from prior return, check here ▶

IRS Use

1	1	1	1	1	1	1	1	1	2	3	3	3	3	3	3	3	3	4	4	4	5	5	5
6	7	8	8	8	8	8	8	8	8	9	9	9	9	9	9	9	9	10	10	10	10	10	10

If you do not have to file returns in the future, check here ▶ ☐ and enter date final wages paid ▶

If you are a seasonal employer, see **Seasonal employers** on page 1 of the instructions and check here ▶

1	Number of employees in the pay period that includes March 12th ▶	1		
2	Total wages and tips, plus other compensation	2	26,830	00
3	Total income tax withheld from wages, tips, and sick pay	3	1,972	00
4	Adjustment of withheld income tax for preceding quarters of calendar year	4		
5	Adjusted total of income tax withheld (line 3 as adjusted by line 4—see instructions)	5	1,972	00
6	Taxable social security wages	6a	26,830	00
		6b	3,326	92
7	Taxable Medicare wages and tips	7a	26,830	00
		7b	778	07
8	Total social security and Medicare taxes (add lines 6b, 6d, and 7b). Check here if wages are not subject to social security and/or Medicare tax ▶ <input type="checkbox"/>	8	4,104	99
9	Adjustment of social security and Medicare taxes (see instructions for required explanation) Sick Pay \$ ± Fractions of Cents \$ +01 ± Other \$ =	9		01
10	Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9—see instructions)	10	4,105	00
11	Total taxes (add lines 5 and 10)	11	6,077	00
12	Advance earned income credit (EIC) payments made to employees	12		
13	Net taxes (subtract line 12 from line 11). If \$2,500 or more, this must equal line 17, column (d) below (or line D of Schedule B (Form 941))	13	6,007	00
14	Total deposits for quarter, including overpayment applied from a prior quarter	14	6,077	00
15	Balance due (subtract line 14 from line 13). See instructions	15		

16 Overpayment. If line 14 is more than line 13, enter excess here ▶ \$

and check if to be: ☐ Applied to next return or ☐ Refunded.

• All filers: If line 13 is less than \$2,500, you need not complete line 17 or Schedule B (Form 941).

• Semiweekly schedule depositors: Complete Schedule B (Form 941) and check here ▶ ☐

• Monthly schedule depositors: Complete line 17, columns (a) through (d), and check here. ▶ ☒

17 Monthly Summary of Federal Tax Liability. Do not complete if you were a semiweekly schedule depositor.

(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter
1,343.82	2,491.56	2,241.62	6,077.00

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see separate instructions)? ☐ Yes. Complete the following. ☐ No

Designee's name ▶

Phone no. ▶ ()

Personal identification number (PIN) ▶

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature ▶

Print Your Name and Title ▶

R.M. Green Jr. Treas.

Date ▶



Line by Line - Form 941

Top of Form

Type or print the information in this section

Line 1

Number of employees in the pay period



Line by Line - Form 941

Line 2

- Enter the total of all:
 - wages paid
 - tips reported
 - taxable fringe benefits provided
 - other compensation paid to your employees.
- Leave out contributions to employee plans excluded from employee's wages



Line by Line - Form 941

Line 3

Enter the income tax you withheld on

- wages
- tips
- taxable fringe benefits
- other payments

Lines 4 and 5

- See Instructions



Line by Line - Form 941

Line 6a

- **Taxable Social Security wages**
 - Total wages subject to Social Security taxes
 - Paid to your employee during the quarter up to the maximum
 - Include sick pay and taxable fringe benefits subject to Social Security taxes

Line 6b

- Multiply line 6a by percentage shown and enter the result



Line by Line - Form 941

Lines 6c and 6d

- Enter taxable Social Security tips
- Multiply line 6c by percentage shown

Lines 7a and 7b

- Taxable Medicare wages and tips
 - All wages and tips including sick pay and taxable fringe benefits subject to Medicare
 - No limit on the amount of wages subject to Medicare
- Multiply line 7a by percentage shown



Line by Line - Form 941

Line 8

Enter total Social Security and Medicare taxes

Line 9

Adjustment of Social Security and Medicare taxes

- **Fraction-of-cents adjustment to be calculated**
- **Small difference can sometimes occur**
- **See Publication 15 for instructions on other adjustments**



Line by Line - Form 941

Line 11

Total taxes -- add lines 5 and 10

Line 12

- Enter any advance earned income credit (EIC) payments made to employees

Line 13

Net taxes -- Subtract line 12 from line 11



Line by Line - Form 941

Line 14

Enter total deposits for the quarter

Line 15 and 16

- Figure balance due or refund
- Check appropriate box below line 16



Line by Line - Form 941

Line 17

Monthly Summary of Federal Tax Liability

- Report the monthly tax liability according to the date wages were actually paid
- Tax liability includes:
 - Income tax withheld plus
 - Employee and employer shares of Social Security and Medicare taxes minus
 - Advance earned income credit payments



Deposit Requirements

What to Deposit

- Income tax withheld from employees
- Employer and employee Social Security and Medicare taxes



Deposit Requirements

How to Deposit

- Use the Electronic Federal Tax Payment System (EFTPS) – required for some*
- Use Form 8109 – Federal Tax Deposit Coupon to mail or deliver payment to an authorized financial institution or Federal Reserve bank
- Pay With Return if your total liability for the quarter is less than \$2500

See Publication 15 for exceptions

* Taxes more than \$200K this year or required last year



Deposit Requirements

When To Deposit

Monthly

- \$50,000 or less during lookback period
- First calendar year of being in business

Semi-weekly

- More than \$50,000 during lookback period

Pub. 15 has more information on Lookback Periods



Deposit Requirements

Next Banking Day – Special Rule

If you accumulate \$100,000 or more on any day during a deposit period, you must deposit it on the next banking day



Late Deposit Penalties

- **2% for deposits made 1-5 days late**
- **5% for deposits made 5-15 days late**
- **10% for deposits made 16 or more days late**



Other Deposit Penalties

10% for deposits made improperly

- Made at unauthorized financial institutions
- Paid directly to the IRS or
- Paid with your tax return and \$2500 or more

10% for not using EFTPS if required

- Subject to electronic deposit requirements
- But not deposited using EFTPS



Non-Payment Deposit Penalties

15% for unpaid amounts on the earlier of

- **More than 10 days after the date of the first IRS notice or**
- **The day on which you receive notice and demand for immediate payment**